



Testimony of Connecticut Fund for the Environment Before the Committee on Energy and Technology

In opposition to, unless substantially amended, H.B. No. 5510, AN ACT CONCERNING ELECTRIC, ZERO EMISSION AND HYDROGEN VEHICLES

> Submitted by Shannon Laun Energy & Environment Attorney March 10, 2016

Connecticut Fund for the Environment (CFE) is a non-profit environmental organization with over 5,500 members statewide. The mission of CFE, and its bi-state program Save the Sound, is to protect and improve the land, air, and water of Connecticut and Long Island Sound. We use legal and scientific expertise and bring people together to achieve results that benefit our environment for current and future generations.

Dear Senator Doyle, Representative Reed, and members of the Committee on Energy and Technology:

Connecticut Fund for the Environment submits this testimony in opposition to Proposed H.B. No. 5510, An Act Concerning Electric, Zero Emission and Hydrogen Vehicles, unless the bill is substantially amended in accordance with the changes we suggest below. This bill contains several strong provisions, including sections 2, 5, 6, and 12, that we support. However, it also includes several provisions that are unnecessary, confusing, or could discourage the growth of clean vehicles in Connecticut. We recommend that these provisions be deleted or amended, and describe suggested revisions below.

CFE thanks the Committee for recognizing the importance of zero-emission vehicles, and we urge the Committee to strengthen this bill so it effectively promotes the growth of these clean vehicles. The transportation sector currently accounts for 40 percent of the state's greenhouse gas emissions, and transitioning to electric and zero-emission vehicles is a crucial strategy to ensure that the state meets its goal of reducing these emissions at least 80 percent by 2050.

I. Sections 1, 3, 4, and 8 are flawed and must be amended.

a. Section 1 incorrectly defines electric vehicles and zero-emission vehicles.

Section 1 defines different types of electric vehicles (EVs) and zero-emission vehicles (ZEVs). While most of these definitions are fine, two of the definitions must be amended. The bill wrongly defines "electric vehicle" (subsection 2) and "zero emission vehicle" (subsection 7)

as including regular hybrids (like the original Toyota Prius) rather than plug-in hybrids. This is inconsistent with standard definitions of EVs and ZEVs and would likely lead to confusion.

Moreover, there are strong policy reasons to exclude regular hybrids from these definitions in case they are later used as the basis for state incentive programs. Regular hybrid vehicles are well established in Connecticut and elsewhere and no longer need financial or other incentives—in contrast to plug-in hybrids and EVs, which are newer technologies.

b. Section 3, which ensures that EV charging stations are not subject to regulation as utilities, takes the right approach but needs to be more specific.

Section 3 clarifies existing law by explicitly stating that EV charging stations do not qualify as a "utility", "public utility", or "public service company". This provision is important because EV charging stations should not be regulated as utilities, which would subject them to unnecessary regulatory requirements. Charging stations are instead required to comply with consumer protection requirements, such as those established by the National Institute of Standards and Technology.

While Section 3 takes the right approach, the language should be more specific. First, it should state that <u>owners or operators</u> of EV charging stations do not fall under the terms of these definitions solely on the basis of such ownership or operation. Second, it should state that owners or operators of charging stations do not qualify as an "<u>electric distribution company</u>" or "<u>electric supplier</u>", in addition to the terms already included in the bill.

c. Section 4 contains misleading or confusing definitions of charging stations, and would establish time of day rates only for public charging stations—whereas it should establish such rates for residential and commercial charging.

Section 4 is important for two reasons: (1) it defines different types of charging stations, which is necessary in order to effectively regulate them; and (2) it would create time of day rates for certain types of charging stations. Time of day rates can be an effective incentive because they enable EVs to be charged more cheaply when demand for electricity is low (*e.g.* at night).

Section 4 misleadingly defines "public" charging stations as <u>free</u> public charging stations, and defines "private" charging stations as those that <u>allow access to anyone</u>. This is confusing and inconsistent with how other states define charging stations. These definitions should be removed, and new definitions should be added for the following terms: EV charging station, public EV charging station, and publicly accessible parking space.

Due to these flawed definitions, Section 8 currently requires a time of day rate to be established only for EV charging stations that allow access to anyone (*i.e.*, public ones), and not for residential or commercial charging. A time of day rate for public EV charging stations would not be a strong incentive because most drivers charge their cars at public stations as needed, and cannot easily tailor their use to a certain time of day.

In contrast, time of day rates for <u>residential</u> and <u>commercial</u> customers would enable drivers of EVs and operators of commercial EV fleets to charge their cars more cheaply at night. This would encourage more drivers and fleet operators to choose EVs, and would also encourage

them to charge the cars when electric demand is low. Subsection (b) should be amended to require PURA to establish time of day rates for residential and commercial customers.

d. Section 8, which establishes consumer protection requirements for EV charging stations, is poorly worded and must be amended.

Section 8 includes requirements for EV charging stations. CFE supports regulating charging stations to protect consumers, as long as the regulations are not unduly burdensome. However, there are some problems with the language of Section 8 that must be corrected for this provision to be effective. We recommend amending Section 8 in accordance with the suggested changes below.

Subsection (a) concerns payment options, so it should only apply to public EV charging stations that <u>require payment of a fee</u>. Such stations should not be required to offer specific payment options, but should instead offer payment options that allow access by the public.

Subsection (b) should be amended to require the owner or operator of a public EV charging station, or their designee, to disclose information about the station to a database. The provision currently requires DMV to do this, but this does not make sense because there is no requirement for the information to be reported to DMV.

Finally, subsection (e), which prohibits membership-only EV charging stations, is too broad a prohibition and could stifle innovation and the development of new business models. First, this subsection should only apply to <u>public</u> EV charging stations. Second, the language should be changed to allow public charging stations to have separate prices for members and non-members, but require access to be open to all.

II. Sections 7, 9, 10, and 11 are unnecessary or harmful and should be cut.

a. Section 7 conflicts with existing standards.

Section 7 includes signage requirements for electricity and hydrogen fuel. This section should be deleted because the requirements conflict with national standards from the National Institute of Standards and Technology Handbook 44, which Connecticut has adopted.

b. Section 9 would discourage installation of EV charging stations.

Section 9 is harmful and should be deleted. This section would discourage the installation of EV charging stations by requiring each station to pay an annual registration fee of \$50 starting in 2016. CFE believes that EV charging stations should eventually be required to register with the Department of Consumer Protection. However, a \$50 fee is too high, and no fees should be required while the EV market is still being established. Requiring immediate payment of a \$50 fee would discourage the installation of charging stations, which would limit charging options for EV drivers. CFE respectfully suggests that the Committee revisit this issue within the next five years to reassess the need for annual registration.

c. Sections 10 and 11 are unnecessary.

Sections 10 and 11 are unnecessary and should be deleted. They would require adoption of EV charging standards in the National Institute of Standards and Technology Handbook 44 and Handbook 130, which the Department of Consumer Protection has already adopted.

III. Sections 2, 5, 6, and 12 are effective and we support them.

a. Section 2, which requires the number of EVs in the state to be recorded and made publicly available, is critical to ensure transparency and accountability.

We support several sections of the bill without reservation. First, Section 2 would require DMV to record the number of EVs registered in the state, and make that information publicly available on the agency's website. Currently, this information is difficult to obtain. It is critical that we monitor the number of EVs in Connecticut to keep track of the state's progress in getting more ZEVs on the road. Connecticut has signed on to the *State Zero-Emission Vehicle Programs Memorandum of Understanding*¹ and *Multi-State ZEV Action Plan*, in which the signatory states agreed to a collective goal of getting 3.3 million ZEVs on the road by 2025.² In Connecticut, this goal requires the state to have at least 155,105 ZEVs by 2025.³

b. Sections 5 and 6 would require the state and electric utilities to plan for increased EV charging and would facilitate a smooth transition to these clean cars.

Sections 5 and 6 would require the state and electric utilities to plan for increased EV charging. Specifically, the utilities would need to integrate EV charging load projections into their distribution planning, and the state would need to analyze the potential for EVs to provide energy storage and other services to the electric grid and identify strategies to ensure that the grid is prepared to support increased EV charging. This type of planning and analysis is necessary to ensure that Connecticut can transition smoothly to a future in which vehicle electrification has become commonplace.

c. Section 12 would amend existing law to remove unnecessary requirements for hydrogen fuel cell vehicles.

Section 12 would amend existing law that prohibits vehicles that run on pressurized gas, such as hydrogen, from parking in underground areas. The law also requires such vehicles to have a safety warning printed on the exterior of the vehicle. These requirements are unnecessary for safe hydrogen fueled vehicles, such as fuel cell vehicles. The bill would exempt hydrogen vehicles from the below-grade parking ban and eliminate the safety warning requirement for vehicles that comply with applicable federal codes and standards for light-duty passenger use. These changes would ensure that safe vehicles are not subjected to unnecessary regulations that could limit the use of these vehicles (the below-grade parking ban) and could alarm consumers (the safety warming requirement).

¹ State Zero-Emission Vehicle Programs Memorandum of Understanding (Oct. 2013), http://www.arb.ca.gov/newsrel/2013/8s_zev_mou.pdf.

² Multi-State ZEV Action Plan (May 2014), http://www.ct.gov/deep/lib/deep/air/electric_vehicle/path/multi-state zev action plan may2014.pdf.

³ Acadia Center et al., Charging Up: The Role of States, Utilities, and the Auto Industry in Dramatically Accelerating Electric Vehicle Adoption in Northeast and Mid-Atlantic States (Oct. 2015), page 5, Table 1, http://acadiacenter.org/wp-content/uploads/2015/10/ChargingUp DIGITAL Electric Vehicle Report Oct2015.pdf.

In conclusion, CFE opposes H.B. 5510 unless the bill is substantially amended in line with our suggested changes. If the bill is amended, it would effectively promote the growth of zero-emission vehicles in Connecticut. As currently written, however, the bill contains a number of unnecessary, confusing, or harmful provisions that would discourage the growth of these clean cars. These provisions should be removed or amended as necessary.

Thank you for your time and consideration in this matter.

Respectfully submitted,

/s/ Shannon Laun

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